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12 September 1959

CURRENT SITUATION IN THE QUEMOY ISLANDS

I. Chinese Nationalist Situation

- A. Reinforcements: Chinese Nationalist troop strength on the Quemoy Islands has been raised to an estimated 51,000 regulars by the arrival of an infantry division and a 155mm howitzer battalion from Formosa. The American military advisory group recommends that three battalions of 105mm howitzers and a battery of 40mm anti-aircraft guns be sent to the Quemoy Islands as additional reinforcements; the 155's will enable the Nationalists to shell the entire Communist-held island of Amoy.

Nationalist guerrilla strength on the Quemoy Islands is now believed to be about 1,350 rather than the 6,000 reported previously; almost 10,000 of the 11,000 guerrillas once present on the islands have reportedly been sent to Formosa and two small Nationalist islands to the north, Wuchiu and White Dog; guerrillas from Quemoy have also gone to Tungting island south of the Quemoy Islands.

B. Preparations for Defense:

[REDACTED]

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[REDACTED]

Nationalist troops on the eastern end of the larger island are improving battle positions and extending them north and south.

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As of 8 September there were only a few troops in

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battle positions on the western side of the island but trenches had been completed and were camouflaged.

An "excellent" traffic control system has reportedly been established. Strong points along the coast have 81mm mortars, machine guns and other light infantry weapons. Defenses on the southern coast are reported improved.

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- C. Morale: The morale of Nationalist troops on the Quemoy is said to be excellent; they are expected to fight well if properly led and if air and naval superiority obtains. The leaders themselves are reported to be highly competent young men. Civilians are said to be settled and calm.

II. Chinese Communist Situation

- A. Strength: No changes have been evident in the strength of Communist troops within 150 miles of Amoy. There continue to be at least 150,000, possibly 200,000, with even the lesser figure sufficient for an attack on the Quemoy.

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B. Logistics: Following Nationalist attacks on the British freighter Inchkilda, caught in Amoy harbor during Nationalist air raids, Hong Kong shipping circles have ordered shipping to stay away from Amoy. This means that all supplies for Amoy will have to come over poor inland roads, probably sufficient only for military supplies. Shipping had been bringing in food, lumber and fertilizer; civilian needs for the Amoy area now may not be met.

C. Communist Preparations for Attack: [REDACTED]

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[REDACTED] no

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indications of a Communist attempt to assemble forces for an invasion of the Quemoy. Beginning with the arrival of the monsoon season in late September or early October, weather factors would favor the Communists in an attack on the Quemoy, as rough waters would restrict Nationalist capabilities for naval support of the Quemoy garrison; these weather conditions would impede a Communist attack on the Tachens or Matsus, which lie much farther from the mainland.

[REDACTED] a concentra-
tion of naval vessels in the Chushan islands, about 100 miles south of Shanghai; the Taipei press, mainly unreliable on military intelligence, says that this

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concentration includes 40 Communist "warships" and
7,000 rubber rafts, some of which are to be sent
to Amoy and the "coastal areas."

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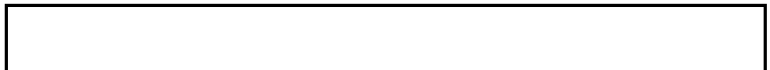
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- B. Communist Activity: Communist shelling of the Quemoy continues, but only sporadically and with little effect.



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The Hong Kong press reports that Communist officials at Swatow, a coastal city 125 miles southwest of Amoy, have ordered civilian evacuation of Swatow in preparation for an emergency, and "great numbers" of troop reinforcements are said to have been arriving there; these developments are said to have resulted from Communist fears of a Nationalist invasion of the southeast coast.

- C. Nationalist Losses: Nationalist losses since the 3 September shelling include 21 killed and 48 wounded, according to American officials at Taipei. One Nationalist gunboat and a minelayer have been damaged, at least one fighter plane has

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been lost and three damaged. Peiping radio, on the other hand, claims to have shot down at least seven Nationalist planes and damaged about 30 others with anti-aircraft and machine gun fire.

Nationalist fortifications on Quemoy have apparently been only slightly damaged by Communist shelling.

- D. Communist Losses: The Nationalist defense ministry claims its air and sea forces have put large numbers of Communist artillery and machine gun emplacements out of operation and have destroyed close to 400 junks. The number of junks reported normally in Amoy waters is about 500. Additional junks could be brought in under cover of darkness for use as sea lift of troops, but continued Nationalist air and sea attacks might well prevent the Communist from concentrating an amphibious force.

Peiping Radio's first reaction to the air raids was to belittle them, claiming that most bombs "fell into the sea." In the past few days, however, Peiping's news reports have emphasized Nationalist bombing and strafing of civilian targets. Peiping reports approximately 100 civilians killed and alleges that large numbers of houses and other civil buildings have been destroyed in Amoy

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and other villages in Fukien Province. A broadcast of 10 September notes the demand by a Fukien fisherman whose son had been wounded that Communist forces "must go to Formosa and put an end to this."

IV. Communist Statements on Intentions

- A. No Mention of US Forces: As of 1000 12 September (Washington time) no Peiping broadcast had been received which had made mention of the movement of US naval and air forces into Formosa waters on 5 September and their continuing presence there. One recent broadcast, transmitting an article for troop indoctrination on the "struggle for the liberation of Formosa," stated in a summary of US actions regarding Formosa that the US "is also dispatching its naval and air forces to conduct demonstrations and provocations against China," but this broadcast did not refer specifically to the Quemoy.

Another recent broadcast discusses the Quemoy but evades the question of US forces in the area. It asserts that the US, "extremely worried" by the Communist bombardments of "bandit Chiang troops occupying our Quemoy Island," is now "stepping up its plans" for increased military aid to the Nationalists.

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In contrast, a Moscow broadcast of 11 September reports that "more American planes and naval vessels have been dispatched to 'protect' the island of Taiwan....at the same time the Kuomintang bands.... are making piratical raids on China's coasts, and, as instructed by their American military masters, are bombing and strafing Chinese towns and villages.

- B. Hint Quemoy Operation Halted: Another Chinese Communist broadcast appears to present the bombardment of the Quemoy as a completed phase of a long-range operation against the offshore islands, and hints that further preparations are necessary before the second phase can begin. It states that the Fukienese populace is "enthusiastic over the triumph of the People's Liberation Army on the Fukien front," that a message has been sent to the troops "congratulating them on their victory," and that the people have pledged themselves to "greater efforts to increase production and to fulfill their assignments in order to support the People's Liberation Army for still greater victories."
- C. Conclusions: Peiping's failure to mention the presence of US forces in the Quemoy area and its hint that further preparations are necessary do not constitute

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sufficient grounds for concluding that Peiping has definitely decided to postpone the Quemoy operation. The US press, which the Chinese Communists are known to read carefully, has been reporting for days that the National Security Council would decide on 12 September whether US forces should help protect the Quemoy and other offshore islands. Peiping may well be reserving its position, pending some indication of the results of the National Security Council meeting.

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